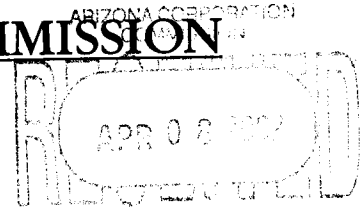
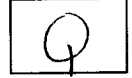


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02800A
Q MOUNTAIN WATER INC.
12486 S. FOOTHILLS BLVD.
YUMA AZ 85367-

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

4-10-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Q-mountain water, Inc.</u>			
Mailing Address <u>12484 S. Foothills BLVD</u>			
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85367</u> (Zip)	
<u>(928) 342-1238</u> Telephone No. (Include Area Code)	<u>(928) 342-7108</u> Fax No. (Include Area Code)	<u>(520) 927-4044 #133</u> Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>12484 S. Foothills BLVD</u>			
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85367</u> (Zip)	
_____ Local Office Telephone No. (Include Area Code)	_____ Fax No. (Include Area Code)	_____ Pager/Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Brent Weidman</u>			
_____ (Name)		_____ (Title)	
<u>12484 S. Foothills BLVD</u> (Street)	<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85367</u> (Zip)
<u>(928) 342-1238</u> Telephone No. (Include Area Code)	<u>(928) 342-7108</u> Fax No. (Include Area Code)	<u>_____ Pager/Cell No. (Include Area Code)</u>	
Email Address _____			
On Site Manager: _____			
_____ (Name)			
_____ (Street)	_____ (City)	_____ (State)	_____ (Zip)
_____ Telephone No. (Include Area Code)	_____ Fax No. (Include Area Code)	_____ Pager/Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: Brent Weidman
(Name)

12486 S. Foothills Blvd yuma AZ 85367
(Street) (City) (State) (Zip)

(928) 342-1238 (928) 342-7108
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Q-mountain water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	610		610
302	Franchises			
303	Land and Land Rights	9,488		9,488
304	Structures and Improvements	22,627	3,645	18,982
307	Wells and Springs	117,219	14,080	103,139
311	Pumping Equipment	36,324	17,512	18,812
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	359,331	35,365	323,966
333	Services	100,256	12,563	87,693
334	Meters and Meter Installations	26,480	12,600	13,880
335	Hydrants	37,500	5,054	32,446
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,068	1,492	575
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	19,257	8,771	10,486
348	Other Tangible Plant			
	TOTALS	731,161	110,810	608,957

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	610	-	-
302	Franchises			
303	Land and Land Rights	9488	-	-
304	Structures and Improvements	22,627	3.56%	806
307	Wells and Springs	117,219	3.91%	4,582
311	Pumping Equipment	36,328	16.40%	5,957
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	359,331	3.01%	10,803
333	Services	100,256	4.36%	4,372
334	Meters and Meter Installations	26,480	18.35%	4,859
335	Hydrants	37,500	4.30%	1,613
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	2,068	8.37%	173
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	19,257	17.49%	3,368
348	Other Tangible Plant			
	TOTALS	731,161		36,533

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 9648	\$ 2264
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3,538	4917
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 13,186	\$ 7,181
	FIXED ASSETS		
101	Utility Plant in Service	\$ 614,432	\$ 731,161
103	Property Held for Future Use		
105	Construction Work in Progress	78,174	78,174
108	Accumulated Depreciation – Utility Plant	74,549	111,082
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 618,057	\$ 698,253
	TOTAL ASSETS	\$ 631,243	\$ 705,434

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 2,988	\$ 12,612
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	3,358	3,426
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 6,346	\$ 16,038
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 383,425	\$ 361,940
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	315,025	419,468
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 315,025	\$ 419,468
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 33,000	\$ 33,000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(106,553)	(125,012)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (73,553)	\$ (92,012)
	TOTAL LIABILITIES AND CAPITAL	\$ 631,243	\$ 705,434

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 45,078	\$ 56,717
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$ 6,679
610	Purchased Water		
615	Purchased Power	6,830	9,047
618	Chemicals		
620	Repairs and Maintenance	12,238	2,086
621	Office Supplies and Expense	2,417	1,899
630	Outside Services	2,975	1,600
635	Water Testing	821	397
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	9,642	5,470
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		45
675	Miscellaneous Expense	500	-
403	Depreciation Expense	34,746	36,533
408	Taxes Other Than Income		3,418
408.11	Property Taxes	7,653	7,952
409	Income Tax	50	50
	TOTAL OPERATING EXPENSES	\$ 77,872	\$ 75,176
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$	\$
	NET INCOME/(LOSS)	\$ (32,794)	\$ (18,459)

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	VARIOUS			
Source of Loan	STOCKHOLDERS			
ACC Decision No.				
Reason for Loan	OPERATING FUNDS			
Dollar Amount Issued	\$ 361,940	\$	\$	\$
Amount Outstanding	\$ 361,940	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-533877	5HP	20 GPM	6"	
55-560987	5HP	20 GPM	6"	
55-564822	5HP	25 GPM	6"	

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	4	25	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
15,000 GAL	4	2,000	1

STATISTICAL INFORMATION

Total number of customers 497

Total number of gallons sold 7,386,420 gallons

COMPANY NAME _____

YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability(18,459)
0State Taxable Income Reported
Estimated or Actual State Tax Liability(18,459)
50

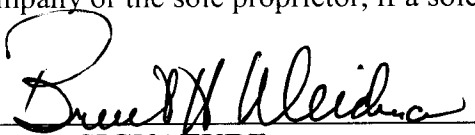
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances419,468
-
419,468

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE2/28/02
DATEBRENT WEIDMAN
PRINTED NAMESECRETARY/TREASURER
TITLE

COMPANY NAME Q-mountain water, Inc. YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

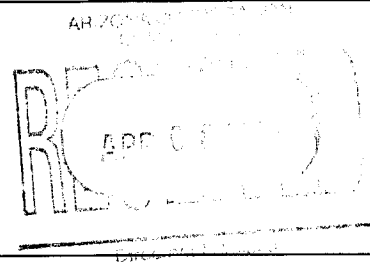
Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 7,952

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Yuma</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Brent Weidman Secretary/Treasurer</u>
COMPANY NAME	<u>Q-Mountain Water Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA COPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 56,717

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,418

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Brent H. Weidman
SIGNATURE OF OWNER OR OFFICIAL
928-342-1235
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS TAMMY L. BAKER DAY OF



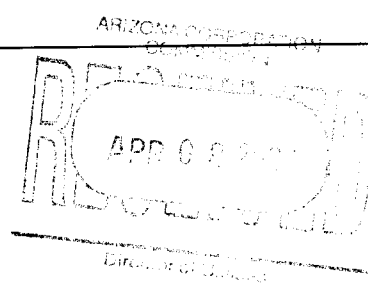
Notary Public - Arizona
YUMA COUNTY
My Commission Expires
JUNE 20, 2005

COUNTY NAME	<u>Yuma</u>
MONTH	<u>April</u> <u>2002</u>

Tammy L. Baker
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 20, 2005

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Yuma</u>	
NAME (OWNER OR OFFICIAL) <u>Brent Weidman</u>	TITLE <u>Secretary/Treasurer</u>
COMPANY NAME <u>Q-Mountain Water, Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ <u>56,717</u>

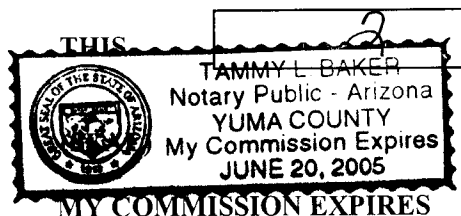
(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3,418
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Brent H. Weidman
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME <u>Tammy L. Baker</u>	
COUNTY NAME <u>Yuma</u>	
MONTH <u>April</u>	<u>20</u> 03

X Tammy L. Baker
SIGNATURE OF NOTARY PUBLIC

302-32-254 Office
Q-MOUNTAIN WATER, INC. 11-97
12486 FOOTHILLS BLVD.
YUMA, AZ 85367

1342

91-563/1221

DATE 4-18-01

PAY TO THE ORDER OF Ellen Solper Lopez Co Treasurer \$ 506.21
five hundred six & 21/100 DOLLARS



The Foothills Bank
Banking with a Personal Touch
11689 S. Foothills Blvd., Yuma, AZ 85367

FOR Tract B, unit 2

⑈001342⑈ ⑆122105634⑆

Brent H. Waldman
⑈0001110017⑈ ⑆0000050621⑆

302-32-255 well site
Q-MOUNTAIN WATER, INC. 11-97
12486 FOOTHILLS BLVD.
YUMA, AZ 85367

1343

91-563/1221

DATE 4-18-01

PAY TO THE ORDER OF Ellen Solper Lopez Co Treasurer \$ 479.43
four hundred seventy nine & 43/100 DOLLARS



The Foothills Bank
Banking with a Personal Touch
11689 S. Foothills Blvd., Yuma, AZ 85367

FOR Tract C, unit 2

⑈001343⑈ ⑆122105634⑆

Brent H. Waldman
⑈0001110017⑈ ⑆0000047963⑆

302-32-252 well site
Q-MOUNTAIN WATER, INC. 11-97
12486 FOOTHILLS BLVD.
YUMA, AZ 85367

1344

91-563/1221

DATE 4-18-01

PAY TO THE ORDER OF Ellen Solper Papaz Co Treasurer \$ 146.14

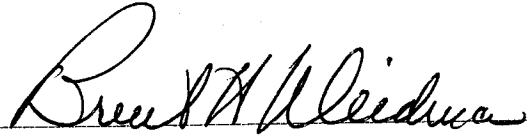
One hundred forty six & 14/100

DOLLARS  Security features included. Details on back.



The Foothills Bank
Banking with a Personal Touch
11689 S. Foothills Blvd., Yuma, AZ 85367

FOR lot 239, unit 2

Brent W. Alledine  MP

⑈001344⑈ ⑆122105634⑆

⑈0001110017⑈

⑈0000014614⑈

902-90-452 acres
Q-MOUNTAIN WATER, INC. 11-97
12486 FOOTHILLS BLVD.
YUMA, AZ 85367

1345

91-563/1221

DATE 4-18-01

PAY TO THE ORDER OF Ellen Solper Papaz Co Treasurer \$ 2694.30

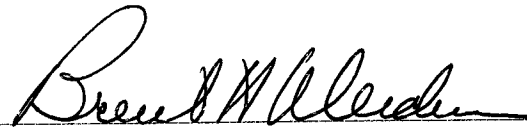
Twenty six hundred ninety four & 39/100

DOLLARS  Security features included. Details on back.



The Foothills Bank
Banking with a Personal Touch
11689 S. Foothills Blvd., Yuma, AZ 85367

FOR

Brent W. Alledine  MP

⑈001345⑈ ⑆122105634⑆

⑈0001110017⑈

⑈0000269430⑈

Q-MOUNTAIN WATER, INC. 11-97
12486 FOOTHILLS BLVD.
YUMA, AZ 85367

902-90-452 686-99-093
302-32-254

1393

91-563/1221

DATE 10/31/01

PAY
TO THE
ORDER OF

Ellen Solperda Poz Co. Treasurer

\$4125.38

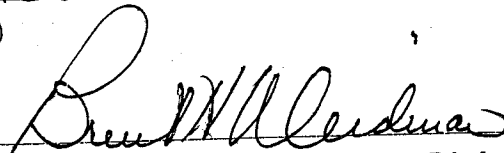
Forty one hundred twenty five & 38/100

DOLLARS  Security features
included.
Details on back.



The Foothills Bank
Banking with a Personal Touch
11689 S. Foothills Blvd., Yuma, AZ 85367

FOR 2001 1st 1/2 taxes



⑈001393⑈ ⑆122105634⑆

⑈0001110017⑈

⑈0000412538⑈